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EX PARTE OR LATE FILED

USWEST

Elridge A. Stafford
Executive Director-
Federal Regulatory

February 24, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

WRITTEN EX PARTE

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street NW Room 222
Washington, DC 20554

RE: CC Docket No. 95-116, Local Number Portability

Dear Ms. Salas:

On February 10, 1998 U S WEST participated in a meeting with members of the Common Carrier Bureau's Competitive Pricing Division to discuss a proposal for Local Number Portability ("LNP") cost recovery. On behalf of the meeting participants, Bell Atlantic filed a notice of ex parte on February 11, 1998. Based on discussions at that meeting and on subsequent conversations with the staff, U S WEST hereby provides further clarification of its recommendations for LNP cost recovery rules.

U S WEST continues to support a federal end user charge for the recovery of all of its costs for implementation of local number portability. U S WEST believes that it should be permitted to apply this end user charge to all its customers, business and residential, across its entire region at the same time as soon as the order becomes effective. U S WEST does not believe it would be in the public interest to defer application of the end user charge to its residential customers. Nor does U S WEST support a state by state or MSA by MSA application of the end user charge. U S WEST also believes it should be permitted to implement this end user charge without further delay, since it has already spent over \$180 million on LNP, and expects to spend a similar amount in 1998. Attached are further details of our position.

Noted on file re: 021
LNP ABC 12

In accordance with Commission Rule 1.1206(a)(1), the original and one copy of this summary of the presentation is being filed with your office. Acknowledgment and date or receipt are requested. A copy of this submission is provided for this purpose. Please contact me if you have questions.

Sincerely,

Attachment

CC: Thomas Power
James Casserly
Paul Gallant
Kyle Dixon
Kevin Martin
Patrick Donovan
Jay Atkinson
Chris Barnekov
Lloyd Collier
Neil Fried
Lenworth Smith
ITS

U S WEST'S LOCAL NUMBER PORTABILITY COST RECOVERY RECOMMENDATIONS

One hundred percent of LNP costs for incumbent local exchange carriers should be permitted to be recovered in the interstate jurisdiction via a federally approved flat rate end user charge.

LNP Type I (industry shared) costs would to be pooled at the regional level and allocated among regional participants based on end user (retail) local and toll revenues.

Each carrier would be responsible for the recovery of its allocated share of Type I costs and its own Type II (carrier specific) costs.

An ILEC would be permitted to recover Type I and Type II costs through an optional, flat rate end user charge. This federal end user charge would be developed on a company-wide basis and would be applied to all customers of the ILEC at the same time. An ILEC would have the discretion to forego or cease billing of this charge at any point for some or all customers in a state.

Costs should be permitted to be recovered within a reasonable time period. Although, following standard practices, U S WEST would expect to recover expenses in the year they are incurred, in the case of LNP, U S WEST recommends a three year recovery period for the total LNP costs incurred (expense and capital) through application of the end user charge to all its customers (business and residence) to begin as soon as the order is effective.

A reasonable alternative to this recommendation would be a five year recovery for all costs, again provided U S WEST is permitted to apply the charge to all its customers as soon as the order takes effect. Under this alternative scenario, U S WEST estimates that its end user charge would not exceed 50 cents per line per month. This 50 cents figure does not take into account any future bona fide requests which would trigger additional LNP related expenditures that are not quantifiable at this time. In the event this does occur, the Commission should permit the ILEC to recover these costs by an upward adjustment of the end user charge.

In any case, the per line charge should apply to all business, residence, foreign exchange, feature group A, resold lines and unbundled local switching ports.

Centrex and PRI ISDN would be assessed the charge consistent with the FCC's universal service definitions adopted in CC Docket No. 97-378. Centrex lines would be charged on a 9:1 line to trunk equivalency basis and PRI ISDN lines on the basis of five times the amount assessed to multi-line business customers.

A deferral for residence customers is not supported by U S WEST, and if ordered, would necessarily result in a much higher charge to its non-residence customers.

The LNP cost recovery order should not foreclose the opportunity for an ILEC to demonstrate the specific nature of Type II costs it is seeking to recover, including costs related to technology advancements, network upgrades, and database costs that would not have been incurred but for the implementation of local number portability.

Carrying charges (cost of money) may be applied to the total Type I and Type II costs ultimately recovered, as well as a reasonable contribution to joint and common costs.